

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 PM-04 DODE-00 TRSE-00 INRE-00 SSO-00
NSCE-00 NSC-05 SP-02 SS-15 CIAE-00 INR-07 NSAE-00
EB-07 OMB-01 AID-05 IGA-02 L-03 /062 R

DRAFTED BY NEA/ARN:TJCAROLAN:PDW

APPROVED BY NEA:NAVELIOTES

NEA/ARN:MDRAPER

NEA/ARP:JCOUNTRYMAN (SUBS)

PM/SAS:DKEENE (SUBS)

DOD/OSD/DSAA:LT.GEN.HFISH (INFO)

DOD/OSD/ISA:LT.COL.PSLATER (INFO)

DOD/OSD/OGC-ISA:SHERO (INFO)

TREASURY (FFB):MR. CROSSWHITE

-----251528Z 039856 /42

O 251455Z MAY 77

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA IMMEDIATE

AMEMBASSY AMMAN IMMEDIATE

CONFIDENTIAL STATE 120515

E.O. 11652: GDS

TAGS: MASS, PFOR, JO, US, SA

SUBJECT: SAUDI GUARANTEE OF JORDAN'S FY76 FMS LOAN

REF: JIDDA 3757

1. INFO CONTAINED PARA 1 REFTEL DOES NOT REALLY SURPRISE US, GIVEN THE TORTUOUS PATTERN OF MISUNDERSTANDINGS AND CONFUSION TO WHICH WE HAVE BECOME ACCUSTOMED IN JORDANIAN-SAUDI DEALINGS RE FINANCING OF CERTAIN U.S. MILITARY SUPPLY PROGRAMS IN JORDAN.

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2. FOR JIDDA: YOU SHOULD PROCEED WITH PRELIMINARY DIRECT DISCUSSIONS WITH SAMA'S ABDUL LATIF ALONG LINES SUGGESTED REFTEL. FOLLOWING IS GUARANTEE LANGUAGE THAT WE PREFER:

BEGIN TEXT: GUARANTEE

(BODY OF TEXT:) THE UNDERSIGNED, THE SAUDI ARABIAN

MONETARY AGENCY (SAMA), A PUBLIC CORPORATION DULY CONSTITUDED UNDER THE LAWS OF THE KINGDOM OF SAUDI ARABIA, AND ACTING FOR AND ON BEHALF OF THE KINGDOM OF SAUDI ARABIA, HEREBY GUARANTEES TO THE FEDERAL FINANCING BANK, ITS SUCCESSORS AND ASSIGNS, THE DUE AND PUNCTUAL PAYMENT OF PRINCIPAL WHEN AND AS DUE ON THE ATTACHED PROMISSORY NOTE,

DATED MAY 26, 1976, OF THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN.

(SIGNATURE LINE:) SAUDI ARABIAN MONETARY AGENCY, (NAME OF SIGNATORY), FOR AND ON BEHALF OF THE KINGDOM OF SAUDI ARABIA.

(DATE.) END TEXT.

3. FOREGOING LANGUAGE, WHICH DRAWS ALMOST ENTIRELY ON SUGGESTED TEXT WE ORIGINALLY SUPPLIED TO THE JORDANIANS FOR TRANSMITTAL TO SAG IN EARLY APRIL (STATE 74467 AND 81134), IS BASED ON OUR KNOWLEDGE THAT SAUDIS ALREADY HAVE A COPY OF THE JORDANIAN PROMISSORY NOTE IN THEIR POSSESSION. ALTHOUGH SAUDIS, FOR REASONS WE HAVE NEVER CLEARLY UNDERSTOOD, SUBSEQUENTLY PREFERRED TO SUBSTITUTE A LONGER, VAGUER AND MORE COMPLICATED GUARANTEE STATEMENT OF THEIR OWN (AMMAN 2143), WE HOPE THEY MIGHT NOW SEE THEIR WAY CLEAR TO ACCEPT OUR SUGGESTED ORIGINAL VERSION.

4. IF ABDUL LATIF SHOULD INDICATE THAT THIS STILL IS NOT POSSIBLE, YOU SHOULD PROPOSE AS AN ALTERNATIVE THAT SAMA CONFIDENTIAL

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AGREE TO THE FORMULATION OUTLINED IN STATE 92294--I.E., TO INSERT THE ADDITIONAL PARAGRAPH (TEXT SET FORTH IN PARA 4 OF STATE 92294) AT THE END OF THE SAUDI GUARANTEE STATEMENT CONTAINED AMMAN 2143. YOU SHOULD POINT OUT TO ABDUL LATIF THAT, WITHOUT THIS ADDITIONAL PARAGRAPH, THE VAGUENESS OF THE SAUDI GUARANTEE STATEMENT ON THE ESSENTIAL POINT OF WHAT PARTY WOULD ASSUME LIABILITY FOR REPAYMENT OF PRINCIPAL ON THE FMS LOAN, IN THE LIKELY EVENT THAT THE JORDANIANS THEMSELVES CANNOT REPAY IT, RENDERS IT INADEQUATE IN OUR VIEW. SAME PROBLEM WOULD APPLY TO THE SAUDI GUARANTEE STATEMENT AS AMENDED BY THE SLIGHT REVISION PROPOSED TO US BY THE SAUDI AMBASSADOR HERE ON MAY 3 (STATE 107943).

5. FOR AMMAN: YOU SHOULD BRING THE SAUDI POSITION AS DESCRIBED PARA 1 REFTEL TO CINC BIN SHAKER'S ATTENTION AND ADVISE HIM OF THE LIMITED ROLE THAT JIDDA EMBOFFS HAVE BEEN AUTHORIZED TO PLAY IN PASSING FOREGOING LANGUAGE DIRECTLY TO SAG. YOU SHOULD EMPHASIZE THAT WE CONTINUE TO

EXPECT THE JORDANIANS WILL REMAIN ACTIVELY ENGAGED IN
SECURING SAUDI APPROVAL OF THE FORMULATION(S) WE ARE
SUGGESTING. VANCE

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, MILITARY ASSISTANCE, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-May-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE120515
Document Source: CORE
Document Unique ID: 00
Drafter: TJCAROLAN:PDW
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770186-1185
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770518/aaaaapod.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d3c0bc89-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 JIDDA 3757
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2369797
Secure: OPEN
Status: NATIVE
Subject: SAUDI GUARANTEE OF JORDAN'S FY76 FMS LOAN
TAGS: MASS, PFOR, JO, US, SA
To: JIDDA AMMAN
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/d3c0bc89-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009